

SIMA seeks extension of all exports benefits Post-GST

By Our Staff Reporter

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The duty-free access and preferential trade treatments extended to our competing nations greatly affect our export growth. Till we conclude our FTAs especially with EU, we need some protection and competitive edge by continuing all the export benefits extended in the Pre-GST to sustain the present market share, urged Mr. M. Senthilkumar, Chairman, SIMA at the inaugural function of 11th CEO Conference held in Coimbatore last week-end.

He informed that SIMA has so far organised ten CEO conferences on various themes to enlighten the textile entrepreneurs to update them. But this conference was quite different as it was organised in the aftermath of demonetisation and GST, two historic policy interventions.

Though demonetisation, a surgical strike on our economy, was taken in the right perspective to curb black money, majority of the traders in the

decentralised sectors who had been transacting with private or self-finance cash without proper books of accounts got affected that made the business to suffer for couple of months. Mr Senthilkumar pointed out.

By the time, the industry could revive from the demonetisation shock, SIMA Chief said that GST was rolled which again affected the normal textile business especially the synthetic sector that suffers with 18% GST on fibres and yarns.

For the first time a single tax for the entire nation with seamless structure has been introduced. For textiles, though we could get the cotton textile value chain and all the job works classified under 5% GST, we have few key issues to be sorted out to create a level playing field in the globalised environment, he stressed.

Meanwhile, Mr. Senthilkumar said that SIMA along-with with the other textile association was able to revamp

the commercial trading terms and conditions of Cotton Corporation of India (CCI) and made them to give preference for the spinning mills and also extending uniform benefits irrespective of volume thus greatly benefiting the MSME spinning units. Now, CCI is prepared to store the buffer stock in all the major clusters and supply to the mills based on the commitment given by the individual mills, he pointed out.

Mr. Senthilkumar mentioned that at the initiative of SIMA, now imported cotton is made available at Tuticorin Port with transshipment facility. Hitherto, the international cotton traders had to store the cotton in Malaysian Port and sell to different countries. Hence, SIMA approached Colombo port authorities to provide to benefit the mills in India especially Tamil Nadu that accounts around 50% of the cotton yarn production.

Knowing our efforts through the press report, the Ministry of Shipping volunteered



themselves to offer such facilities in Indian ports. After several rounds of discussions, the transshipment facility was formally inaugurated on 4th August 2017 at Tuticorin port for the first time in the history of Indian ports.

Any textile mill can now avail this facility, particularly MSME units, who do not have direct access to imported cotton, SIMA Chief said and hoped that both the CCI commercial cotton trading and transshipment facility would bring stability in the cotton prices and enable the mills to get cotton always at int'l price and remain globally competitive.